



DAVID E. JANSSEN  
Chief Administrative Officer

County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101

*Hammond*



Board of Supervisors

GLORIA MOLINA  
First District

YVONNE BRATHWAITE BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

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Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

September 4, 2001

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**JOINT RESOLUTION DIRECTING THE AUDITOR-CONTROLLER  
TO REIMBURSE THE CITY OF BREA FOR PROPERTY TAX REVENUES  
COLLECTED BY THE COUNTY OF LOS ANGELES  
(SUPERVISORIAL DISTRICT 4) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve the attached Joint Resolution between the County of Los Angeles and the City Council of the City of Brea instructing the Auditor-Controller to reimburse the City a total of \$27,936.96 for property tax revenues received by Los Angeles County for Fiscal Year 2000-01 attributable to the area previously detached from Los Angeles County, as authorized by the County of Orange, and subject to exclusions reflected in Schedule A attached to the Resolution; and authorize the Auditor-Controller to adjust the reimbursement amount if needed due to uncollected delinquencies.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On August 29, 1999, your Board approved a minor boundary change detaching 46 parcels (hereinafter referred to as Midbury neighborhood) from the unincorporated area of Los Angeles County, annexing the parcels to the County of Orange. Through oversight, the Government Code Section 23212 change statement was not filed with the State Board of Equalization by the deadline to have the change reflected on the Fiscal Year 2000-01 tax roll. Therefore, Los Angeles County collected and retained the 2000-01 property tax revenues from the Midbury neighborhood, although most services were provided by the City of Brea or other Orange County entities.



The Honorable Board of Supervisors  
September 4, 2001  
Page 2

The City of Brea completed proceedings to annex the Midbury neighborhood to the City on April 4, 2000. As a condition of the City of Brea's annexation, the County of Orange agreed to transfer all appropriate property taxes collected in the Midbury neighborhood to the City of Brea for the first five years following annexation. The County of Los Angeles, County of Orange, and City of Brea thus intended that certain funds be shifted from Los Angeles County to the City of Brea. The recommended action accomplishes this and also authorizes the Auditor-Controller to adjust the transfer amount should later corrections due to uncollected delinquencies become necessary.

#### **FISCAL IMPACT**

The recommended action will transfer \$27,936.96 of property tax revenues paid by the Midbury neighborhood for Fiscal Year 2000-01 to the City of Brea. This is a one-time transfer, since for Fiscal Year 2001-02 the detached territory will be taxed through the County of Orange.

The Chief Administrative Office has worked with the Auditor-Controller, Treasurer and Tax Collector, and County Counsel to determine the amount of 2000-01 property taxes collected in the Midbury neighborhood and the appropriate exclusions from the reimbursement to the City of Brea (attached Resolution, Schedule A). The reimbursed funds exclude the following agencies' share of the general taxes because these agencies retained service responsibility: the Consolidated Fire Protection District (which had a contract with the City of Brea by which the City provided supplemental fire protection for the Midbury neighborhood), the school districts, the Greater L.A. County Vector Control District and the Three Valleys Metropolitan Water District. It also excludes revenues accrued to direct assessment agencies, debt service funds, and unpaid delinquent taxes.

The Honorable Board of Supervisors  
September 4, 2001  
Page 3

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In response to a May 4, 1999 Orange County Board of Supervisors request, your Board on July 27, 1999 conducted the necessary hearing for a minor boundary change relating to the Midbury neighborhood in the Fourth Supervisorial District. On August 24, 1999, your Board adopted a boundary change ordinance pursuant to Government Code Section 23210. The County of Orange simultaneously adopted a substantially similar ordinance approving the change. Your Board's ordinance specified that the boundary change would not become effective until the Midbury neighborhood formed a special assessment district and assessments in the district were levied. The special district was formed and assessments levied on September 21, 1999. On December 7, 1999, the County of Orange adopted a resolution transferring 100 percent of the negotiated property taxes for the Midbury neighborhood annexation to the City of Brea for five years.

The Midbury neighborhood was annexed to the City of Brea effective April 4, 2000.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

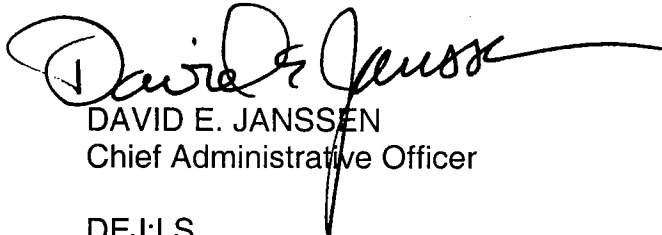
Approving the recommended reimbursement settles residual financial issues relative to the boundary change and will provide for administrative adjustments to the amount transferred for uncollected taxes, if necessary.

The Honorable Board of Supervisors  
September 4, 2001  
Page 4

**CONCLUSIONS**

At such time as the recommendation is approved by your Board, please return three approved copies of this letter and three signed originals of the Resolution to the Chief Administrative Office, Office of Unincorporated Area Services, and one approved copy of the letter and Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:LS  
DD:MJS:os

Attachment

c: City of Brea  
County of Orange  
Auditor-Controller  
County Counsel  
Treasurer and Tax Collector

**RESOLUTION NO. 01-67**

**JOINT RESOLUTION  
OF THE COUNTY OF LOS ANGELES  
AND  
THE CITY OF BREA**

**TO REIMBURSE THE CITY OF BREA FOR REVENUES  
RECEIVED BY THE COUNTY OF LOS ANGELES  
AFTER THE INTENDED EFFECTIVE DATE  
OF A BOUNDARY CHANGE AND FOR  
NECESSARY FURTHER ADJUSTMENTS**

WHEREAS, on August 24, 1999, the Board of Supervisors adopted an ordinance approving a minor boundary change between the County of Orange and the County of Los Angeles (the "Midbury Annexation"), and

WHEREAS, the Midbury Annexation had the effect of transferring the unincorporated Midbury neighborhood from the jurisdiction of the County of Los Angeles to the County of Orange, and

WHEREAS, the ordinance specified that the boundary change would not become effective until the Midbury neighborhood formed a special assessment district for infrastructure improvements, and

WHEREAS, the Midbury neighborhood formed the special assessment district and assessments were levied on September 21, 1999, and

WHEREAS, the City of Brea, in the County of Orange, thereafter annexed the Midbury neighborhood and undertook delivery of public services, and

WHEREAS, the County of Orange on December 7, 1999, determined by resolution that for a period of five years 100 percent of negotiable property tax revenues for the Midbury Annexation should be transferred to the City of Brea and that thereafter the negotiable property tax revenues should be distributed in accordance with an existing agreement between the County of Orange and the City of Brea, and,

WHEREAS, through inadvertence, the boundary change statement required by Section 23212 of the California Government Code was not filed with state officials until December 1, 2000, and

WHEREAS, the County of Los Angeles consequently continued to collect property tax revenue from the Midbury neighborhood after the County of Orange and City of Brea undertook said services, and

WHEREAS, the intention of the Counties of Los Angeles and Orange and the City of Brea was that the property tax revenues collected from the Midbury neighborhood, net of certain offsets, should shift from the County of Los Angeles to the City of Brea, effective fiscal year 2000-01, and

WHEREAS, it is just and equitable to reimburse the City of Brea for the negotiable property tax revenues attributable to the Midbury neighborhood from the date the parties intended the Midbury Annexation property tax revenues transfer be effective;

NOW, THEREFORE, the City Council of the City of Brea and the Board of Supervisors of the County of Los Angeles resolve as follows:

The County of Los Angeles Auditor-Controller shall reimburse the City of Brea the property tax revenue received by the County of Los Angeles and attributable to the Midbury neighborhood, for fiscal year 2000-2001, subject to the exclusions described in the attached Schedule "A", in the sum of Twenty-Seven Thousand Nine Hundred Thirty-Six Dollars and Ninety-Six Cents (\$27,936.96)

The City Treasurer of the City of Brea and the County of Los Angeles Auditor-Controller are each authorized and directed to adjust the revenues reimbursement described above to conform it to changes of actual revenues when the same are officially collected or recognized, including but not limited to changes from escaped or reduced assessments.

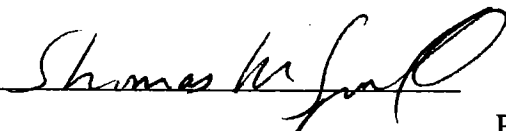
The foregoing resolution was on the \_\_\_\_\_ day of \_\_\_\_\_ 2001, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS  
Executive Officer-Clerk of the Board of  
Supervisors of the County of Los Angeles

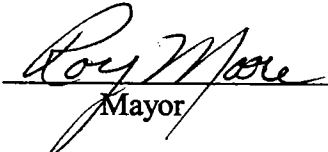
By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM  
BY COUNTY COUNSEL

LLOYD W. PELLMAN

By 

The foregoing resolution was adopted on August 21, 2001.

  
\_\_\_\_\_  
Mayor


I, ELAINE CAPPS, City Clerk of the City of Brea, do hereby certify that the foregoing resolution was approved and adopted at a regular meeting of the City Council of the City of Brea, held on the 21st day of August, 2001, by the following roll call vote:

AYES: COUNCIL MEMBERS: Harvey, Perry, Vargas, Simonoff and Moore

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAINED: COUNCIL MEMBERS: None

ATTEST:   
\_\_\_\_\_  
City Clerk of the City of Brea

APPROVED AS TO FORM  
BY CITY ATTORNEY

Richards, Watson & Gershon

By 

LOS ANGELES COUNTY / ORANGE COUNTY BOUNDARY CHANGE  
REVENUES COLLECTED FROM THE PROPERTIES AFFECTED  
DISTRIBUTION OF THE 1%, DEBT SERVICE, AND DIRECT ASSESSMENTS (Midbury Neighborhood)

	1%	Debt Service	Direct Assessment	TOTAL
County General				
LA County Detention Facilities	\$ 24,787.87	\$ 95.09		\$ 24,787.87
Sub-total	\$ 24,787.87	\$ 95.09	\$ -	\$ 24,882.96
<b>Agencies/Special Districts - Governed by the Board of Supervisors</b>				
L.A. Co. Solid Waste Service Charge			147.42	147.42
Road District #4	\$ 443.80			443.80
Library	1,797.48		1,051.56	2,849.04
CFPD	13,899.84		1,834.36	15,734.20
Lighting Maint Dist #1687	1,636.69		210.00	1,846.69
Flood Control Maint	901.54	115.77	1,729.61	2,746.92
Sewer Maintenance		777.00		777.00
Regional Park and Open Space		1,106.77		1,106.77
Sub-total	\$ 18,679.36	\$ 115.77	\$ 6,856.72	\$ 25,651.85
<b>Special Districts - Under Supervision of Own Governing Board</b>				
Greater L.A. Co. Vector Control	\$ 29.04		189.05	\$ 218.09
Three Valley MWD - Rowland Area	313.66	\$ 636.83	580.23	1,530.72
Sub-total	\$ 342.70	\$ 636.83	\$ 769.28	\$ 1,748.81
<b>Schools</b>				
Schools ( ERAF included )	\$ 28,556.85			\$ 28,556.85
Rowland Heights USD 2000 Ser A		\$ 2,702.46		2,702.46
Sub-total	\$ 28,556.85	\$ 2,702.46	\$ -	\$ 31,259.31
<b>Grand Total</b>	<b>\$ 72,366.77</b>	<b>\$ 3,550.15</b>	<b>\$ 7,626.00</b>	<b>\$ 83,542.92</b>
<b>Less:</b>				
CFPD* Share	\$ (13,899.84)			\$ (13,899.84)
All Debt Service		\$ (3,470.10)		\$ (3,470.10)
All Direct Assessments			\$ (5,546.63)	\$ (5,546.63)
Unpaid parcels			(245.01)	(245.01)
Greater L.A. Co. Vector Control	\$ (1,630.42)	\$ (80.05)		\$ (1,710.47)
Three Valley MWD - Rowland Area	(29.04)			(29.04)
Schools ( ERAF included )	\$ (313.66)			\$ (313.66)
Net Total Due to Brea	\$ (28,556.85)			\$ (28,556.85)
	<b>\$ 27,936.96</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 27,936.96</b>

\*CFPD: Consolidated Fire Protection District

**Notes:**

1. An agreement of June 2, 1992 between the City of Brea and CFPD requires CFPD to pay the City for fire protection services.
2. Debt service revenues are to pay the cost of interest and redemption charges, including the funding of any reserve or bonded indebtedness existing as of 1/1/79, or thereafter approved by a vote of the electors of the issuing entity.
3. Direct assessments fund services not provided by the City of Brea.
4. Parcel 8269-018-010 2nd installment is still unpaid (\$501.71). Parcel 8269-018-024 total installment is still unpaid (\$1,453.77).